

of Deposit in the amount of \$20,000 as a substitute form of security in lieu of the surety bond.

3. Pursuant to NRS chapter 645A, Respondent was issued an escrow agency license, License Number 3220, on August 19, 2009.

4. The Division currently classifies Respondent's escrow agency license status as "closed".

5. Patricia Ann Bascom, an individual (hereinafter "Respondent Bascom"), was licensed by the Division as an escrow agent on behalf of Respondent LV Escrow on August 19, 2009. The Division currently Respondent Bascom's license as "inactive."

6. Based upon information and belief, and at all relevant times herein mentioned, Respondent Bascom was the sole owner, officer and manager of Respondent LV Escrow.

7. Respondent LV Escrow and Respondent Bascom are hereinafter referred to individually as Respondent or collectively as Respondents.

8. Pursuant to NRS 645A.050(2)(b) "[i]n addition to the other duties imposed upon him by law, the Commissioner shall:... [c]onduct or cause to be conducted each year an examination of each escrow agency licensed pursuant to this chapter."

9. Pursuant to NRS 645A.050(2)(b), the Division commenced a regularly scheduled annual examination of Respondent on November 2, 2009 which revealed, among other things, that Respondents:

a. Conducted unlicensed escrow activity prior to being issued a license pursuant to NRS 645A by the Division, as evidenced by the "Orders Report by Open Date" report submitted by Respondents to the Division, which reflects that the first escrow file, #091603, was opened on April 13, 2009, and which is also evidenced by account activity in Respondent's Bank of America Escrow Trust Account on May 5, 2009, over three (3) months prior to Respondent(s) being issued a license(s) pursuant to NRS 645A by the Division.

b. Respondent failed to deposit and keep in full force and effect a corporate

1 surety bond, or substitute form of security, in the amount of at least \$50,000 required for an
2 escrow agency if the average monthly balance of the trust account or escrow account
3 maintained by that agency is more than \$50,000 but not more than \$250,000:

4 1. Respondent deposited a One-year Certificate of Deposit in the
5 amount of \$20,000 as a substitute form of security in lieu of the surety bond required to obtain
6 a license under NRS 645A.

7 2. Respondent's average monthly balance of the trust account or
8 escrow account it maintained for the months of August 2009, September 2009, and
9 October 2009 was \$132,323.76;
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11 c. Failed to maintain complete and suitable records of all escrow
12 transactions it conducted, including, but not limited to, records which clearly identify: the name,
13 address and telephone number of each homeowner; the account number of each loan; the
14 address and contact information of each lender or loan servicer related to each loan; the
15 amount and date of each deposit; and, the amount and date of each withdrawal with the name
16 of each recipient;

17 d. Failed, at all times, to monthly reconcile balances on deposit equal to all
18 money collected and deposited and not legitimately disbursed to reconcile its bank accounts;
19 and
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21 e. Failed to submit to the Division an annual financial statement reviewed by
22 an independent public accountant.

23 10. Pursuant to NRS 645A.040 "[e]xcept as otherwise provided in this section, an
24 escrow agency shall submit to the Commissioner, not later than 120 days after the last day of
25 each fiscal year of the escrow agency, a financial statement that: (a) Is dated not earlier than
26 the last day of the fiscal year of the escrow agency; and (b) Has been prepared based on the
27 books and records of the escrow agency by an independent public accountant who has a
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valid permit to engage in the practice of public accounting in this State.” See NRS 645A.040(1).

11. Pursuant to NRS 645A.041(1), “[e]xcept as otherwise provided in NRS 645A.042, as a condition to doing business in this State, each escrow agency shall deposit with the Commissioner and keep in full force and effect a corporate surety bond payable to the State of Nevada, in the amount set forth in subsection 4, which is executed by a corporate surety satisfactory to the Commissioner and which names as principals the escrow agency and all escrow agents employed by or associated with the escrow agency.”

12. Pursuant to NRS 645A.041(4): “[e]ach escrow agency shall deposit a corporate surety bond that complies with the provisions of this section or a substitute form of security that complies with the provisions of NRS 645A.042 in the following amount based upon the average monthly balance of the trust account or escrow account maintained by the escrow agency pursuant to NRS 645A.160:

AVERAGE MONTHLY BALANCE	AMOUNT OF BOND OR SECURITY REQUIRED
\$50,000 or less.....	\$20,000
More than \$50,000 but not more than \$250,000.....	\$50,000

13. Pursuant to NAC 645A.050, “[e]ach escrow agency that maintains a trust account shall keep a record of all money deposited in the account. These records are subject to inspection by the Commissioner or his authorized representative and must include, without limitation: a. The name of the person who sent the money to the escrow agency; b. The account in which the money was deposited; c. The name of the person to whom the money belongs; d. The date the money was received; e. The date that money was deposited into the account; f. The date of each withdrawal from the account; g. Any other pertinent information

1 concerning the account, including, without limitation, escrow instructions and servicing
2 agreements; and (h) Any other pertinent information concerning the account, including,
3 without limitation, escrow instructions and servicing agreements.” See NAC 645A.050(5).

4 15. Pursuant to NAC 645.050 “[i]f the Commissioner determines that an escrow
5 agency has not complied with the provisions of subsections 2 to 15, inclusive, he may require
6 the escrow agency to deliver an audited financial statement that is prepared, using the
7 records of the escrow agency, by a certified public accountant who holds a certificate to
8 engage in the practice of public account in this State. Except as otherwise provided in this
9 subsection, the financial statement must be submitted to the Commissioner not later than 60
10 days after the Commissioner requests the financial statement from the escrow agency. The
11 Commissioner may grant a reasonable extension for the submission of the financial
12 statement if an extension is requested not later than 60 days after the Commissioner requests
13 the financial statement from the escrow agency.

15 16. Pursuant to NRS 645A.090(1), “[t]he Commissioner may refuse to license any
16 escrow agent or agency or may suspend or revoke any license or impose a fine of not more
17 than \$10,000 for each violation by entering an order to that effect, with the Commissioner’s
18 findings in respect thereto, if upon a hearing, it is determined that the applicant or licensee:

20 (a) In the case of an escrow agency, is insolvent;

21 (b) Has violated any provision of this chapter or any regulation adopted pursuant
22 thereto or has aided and abetted another to do so;

23 (c) In the case of an escrow agency, is in such a financial condition that he or
24 she cannot continue in business with safety to his or her customers...;

25 (k) In the case of an escrow agency, has failed to maintain complete and
26 accurate records of all transactions within the last 6 years;
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1 (l) Has commingled the money of others with his or her own or converted the
2 money of others to his or her own use..."

3 16. Pursuant to NRS 645A.097, "The expiration or revocation of a license of an
4 escrow agent or agency by operation of law or by order or decision of the Commissioner or a
5 court of competent jurisdiction, or the voluntary surrender of a license, does not: 1. Prohibit
6 the Commissioner from initiating or continuing an investigation of, or action or disciplinary
7 proceeding against, the escrow agent or agency as authorized pursuant to the provisions of
8 this chapter or the regulations adopted pursuant thereto; or 2. Prevent the imposition or
9 collection of any fine or penalty authorized pursuant to the provisions of this chapter or the
10 regulations adopted pursuant thereto against the escrow agent or agency."

12 17. Pursuant to NRS 645A.171, "No escrow officer or person who acts as an escrow
13 agent may disburse money from an escrow account unless deposits which are at least equal
14 in value to the proposed disbursements and which relate directly to the transaction for which
15 the money is to be disbursed have been received." See NRS 645A.171(1).

16 18. Pursuant to NRS 645A.210 "[i]t is unlawful for any person, unless exempted
17 under NRS 645A.015, to engage in or carry on, or hold himself or herself out as engaging in
18 or carrying on, the escrow business or act in the capacity of an escrow agent or agency
19 without first obtaining a license as an escrow agent or agency."
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21 VIOLATIONS OF LAW

22 After examination, the Division determined that Respondents:

23 1. Conducted unlicensed escrow agency and/or escrow agent activity prior to being
24 properly licensed by the Division pursuant to NRS 645A;

25 2. Failed to deposit and maintain a sufficient surety bond and/or substitute form of
26 security based upon the average monthly balance of the trust account or escrow account
27 maintained by the escrow agency, in violation of NRS 645A.041;
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3. Failed to maintain complete and suitable records of all escrow transactions it conducted, in violation of NAC 645A.050;

4. Failed, at all times, to monthly reconcile balances on deposit equal to all money collected and deposited and not legitimately disbursed to reconcile its bank accounts, in violation of NRS 645A.171(1); and

5. Failed to submit an annual financial statement prepared by an independent public accountant to the Division after request by the Commissioner, in violation of NRS 645A.040 and NRS 645A.050.

ORDER

NOW THEREFORE, the Commissioner of the Division hereby orders that, pursuant to NRS 645A.110(2)(a), upon filing a verified petition with the Division, Respondents shall be entitled to a hearing with regard to the contents of the instant Order. At that hearing, the Division will seek:

1. The imposition of an administrative fine against Respondents, jointly and severally, in the amount of Thirty Thousand Dollars and No Cents (\$30,000) for Respondent's violations of NRS Chapter 645A, along with payment to the Division of its costs and attorney fees, to be proven at hearing or upon the filing of a proper affidavit;

2. Respondents' payment, in full, of the administrative fine, along with costs and fees to be determined at the hearing or upon the filing of a proper affidavit, to the Division within **thirty (30) days** of entry of the Final Order;

3. Revocation of Respondent LV Escrow's escrow agency license; and

4. Revocation of Respondent Bascom's escrow agent license.

Should Respondents, or either of them, request a hearing, Respondent, and each of them, is advised of the following:

1 (a) Respondent is entitled to be represented by legal counsel at its own cost and
2 expense; b) At any hearing Respondent shall be entitled to respond and to present evidence
3 and argument on all issues involved; c) Requests may be made to the Commissioner for the
4 issuance of subpoenas; however, the Commissioner may request the proposed testimony of
5 any such person prior to the issuance of the subpoena; and d) Unless precluded by law, the
6 parties may agree to an informal resolution or settlement prior to any hearing.

7 Should either Respondent not request a hearing within **thirty (30) days** of service of the
8 instant Order, the Division will enter a Final Order in this matter.

9 Dated this 5th day of *October*, 2010.

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11 State of Nevada
12 Department of Business and Industry
13 Division of Mortgage Lending

14 By: *Joseph L. Waltuch*
15 Joseph L. Waltuch, Commissioner
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CERTIFICATE OF SERVICE

I certify that I am an employee of the State of Nevada, Department of Business and Industry, Division of Mortgage Lending, and that on, October 8, 2010, I deposited in the U.S. mail, postage prepaid via First Class Mail and Certified Return Receipt Requested, a true and correct copy of the foregoing, NOTICE OF INTENT TO REVOKE ESCROW AGENCY LICENSE, NOTICE OF INTENT TO REVOKE ESCROW AGENT LICENSE, NOTICE OF INTENT TO IMPOSE FINE AND NOTICE OF RIGHT TO REQUEST HEARING for LAS VEGAS ESCROW SERVICES, LLC AND PATRICIA BASCOM, addressed as follows:

**Patti Bascom
Las Vegas Escrow Services, LLC
3531 E. Russell Road #G
Las Vegas, NV 89120**

Certified Receipt Number: 7008 1830 0002 7959 6441

DATED this 8th day of October, 2010

By: *Susan Slack*
Employee of the Division